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THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

December 13, 1997

REMARKS BY THE PRESIDENT
IN RADIO ADDRESS TO THE NATION

10:06 A.M. EST

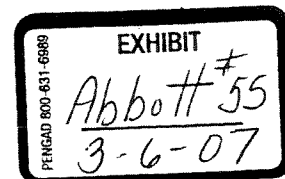
THE PRESIDENT: Good morning. This morning I'd like to give you a progress report on our fight against waste, fraud, and abuse in the Medicare system. Medicare is more than just a program; it reflects our values. It's one way we honor our parents and grandparents -- and protect our families across the generations. This past summer, we took historic action to strengthen Medicare by improving benefits -- more mammograms, cancer screenings, major improvements in diabetes care, expanding choices for recipients in health plans, and extending the life of the Trust Fund to at least the year 2010. I have also named four distinguished experts to a bipartisan commission that will find ways to ensure that Medicare will be able to serve baby boomers and our children as faithfully as it has served our parents.

But to protect Medicare and the fundamental values it represents, we also must vigorously fight the waste, fraud, and abuse that is clearly in the system -- activities that diminish our ability to provide high-quality, affordable care for some of our most vulnerable citizens. Medicare fraud costs billions of dollars every year, amounting to an unfair fraud tax on all Americans and undermining our ability to care for those most in need. Taxpayers deserve to expect that every cent of hard-earned money is spent on quality medical care for deserving patients.

I am proud of what we've already accomplished to crack down on abuse in Medicare. Since 1993, we have assigned more federal prosecutors and FBI agents to fight health care fraud, and as a result, convictions have gone up 240 percent. We have saved \$20 billion in health care claims. Two years ago, the Department of Health and Human Services launched Operation Restore Trust. Already it has identified \$23 in fines and settlements for every dollar invested in the program. Our historic balanced budget agreement last summer gives us an array of new weapons to help keep scam artists and fly-by-night health care providers out of Medicare in the first place. And earlier this fall, I announced new actions to root out fraud and abuse in the mushrooming home health industry -- from a moratorium on new home health agencies entering the system to a doubling of audits to a new certification renewal process.

But we must do more. Sometimes the waste and abuses aren't even illegal; they're just embedded in the practices of the system. Last week, the Department of Health and Human Services confirmed that our Medicare program has been systematically overpaying doctors and clinics for prescription drugs -- overpayments that cost taxpayers hundreds of millions of dollars. Such waste is simply unacceptable. Now, these overpayments occur because Medicare reimburses doctors according to the published average wholesale price -- the so-called sticker price -- for drugs. Few doctors, however, actually pay the full sticker price. In fact, some pay just one tenth of the published price.

That's why I'm sending to Congress again the same legislation I sent last year -- legislation that will ensure that doctors are

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reimbursed no more, and no less, than the price they themselves pay for the medicines they give Medicare patients. While a more modest version of this bill passed last summer, the savings to taxpayers is not nearly enough. My bill will save \$700 million over the next five years, and I urge Congress to pass it.

There must be no room for waste, fraud, and abuse in Medicare. Only by putting a permanent stop to it can we honor our parents, protect our taxpayers, and build a world-class health care system for the 21st century.

END

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